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July 27, 2011

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Public Record

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, SW
Washington, DC 20423

Re: Support of PPL Corporation for Petition of the National Industrial Transportation League for Rulemaking to Adopt Revised Competitive Switching Rules in STB Ex Parte No. 711

Dear Ms. Brown:

This letter is being filed on behalf of PPL Corporation ("PPL"). Headquartered in Allentown, PA, PPL controls or owns approximately 19,000 megawatts of generating capacity in the United States, sells energy in key U.S. markets, and delivers electricity to millions of customers in the U.S. PPL supports the Petition of the National Industrial Transportation League for Rulemaking to Adopt Revised Competitive Switching Rules filed July 7, 2011 in this proceeding.

As pointed out by PPL EnergyPlus, LLC, a subsidiary of PPL, in its May 27, 2011 comments in Ex Parte No. 705, Competition in the Railroad Industry, PPL's coal-fired generating stations in Pennsylvania are captive to Norfolk Southern Railway (NS). Those generating stations produce some 40% of the electric power generated by PPL in Pennsylvania, making NS's rates and service significant concerns for PPL. In its May 27 Comments, PPL EnergyPlus supported additional rail competition in the northeastern U.S. The NITL Petition calls for initiation of a rulemaking proceeding which could help achieve that result.

NITL did not propose a standard for switching charges, suggesting that this issue could be addressed in the Board's rulemaking proceeding. PPL agrees, but would note that NS is evidently the most revenue adequate of the Class I railroads.

Coal is currently shipped via NS to PPL generating stations under a rail transportation contract. Once that contract expires, PPL will be able to file a rate case challenging the level of NS coal rates as excessive.

However, if it is possible to bring competitive pressure to bear, either through competitive switching or in other ways, and if such competition is effective, constraining NS rates to reasonable levels and possibly resulting in improved service, PPL wants to explore such alternatives to rate litigation. Accordingly, the Board should initiate the requested rulemaking proceeding.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John M. Cutler, Jr.", with a stylized flourish at the end.

John M. Cutler, Jr.
Attorney for PPL Corporation